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ECONOMY OF THE WAR MACHINE (PART IV. OVERVIEW)

ECONOFICTION ECONOMY OF THE WAR MACHINE, FINANCE, MARXISM, NOMAD DISTRIBUTION, SPECULATIVE COMMUNISM

Part IV of our Economy of the War Machine will arrive in several separate posts. Our outline is as follows.

Chapter One. Overview of Part IV. Elements of Nomadic Distribution

Chapter Two. A Technological Issue. Interminable Deterritorialization (Continuous Recalibration) (parts a and b)

Chapter Three. An Institutional Issue. Double Deterritorialization, or Numbering Number (Clusters of Exotic Options & a Universal Synthetic CDO) (parts a and b and c)

Chapter Four. A Behavioral Issue. Singularities, Attractors and Affects (Introduction to a H2Ofall Economy) (parts a and b)

Overview of Part IV. Elements of Nomadic Distribution observed in Chapter Twelve

Abstracts of economic insight derived from dynamical systems theory (DST) have only hitherto been deployed in and by financial economics. But the latter's approach is epistemological, exclusively an epistemology, a bad epistemology, and one whose method too often presumes a sedentary ontology, involving the sedentary use of nomadic technologies. By contrast, D&G enjoin us to probe the nomadic uses of nomadic technologies, to universalize the nomadic deployment of nomadic technologies, to become worthy of their event –to move them, with us, a we forward towards an economy of the war machine. In this way financial economics can become heterodox, a minor science, a speculative materialism. Can the bonds of debt be infinitely leveraged into and as universal equity? D&G's deployment of DST affirms precisely this. We need merely unearth, seize, and commence to tinker-on the conceptual resources of DST built-into, if yet latent to, financial economics.

Let us agree that the whole viability of an economy of the war machine turns on the material capacities of nomadic distribution. All associative technologies, institutions, and ethics: if its material capacities prove inept, so too are these wagers.

Deleuze's philosophical treatment of the general concept is well known. At some point in his major works, e.g. *Logic of Sense*, *Difference & Repetition*, one eventually encounters some devotion to its pure theoretic exposition. Perhaps it's only natural, then, by which we mean born of habit, for our reader to herein expect us to confide that we must necessarily strive to clarify a streamlined *economic* application of nomadic distribution –as if it were obvious that our present task were to now peel some fat from meat, or separate chafe from wheat, in order to so to speak “lose” all of the “extra” (philosophical) weight, so that our more formal attire, the economic clothing of nomadic distribution, will better fit. However, let us not so quickly minimize the subtle but profound ontological assertion of DST –namely, of the univocity of being: that *actually* everything is diverse and multiple and different, but then again *virtually* the same. This means that much of what we would have previously regarded as either metaphorical or in need of discursive translation is in truth homologous and isomorphic, and hence in need of no tailoring whatsoever. Rather, we need merely overview those peculiar attributes marking the signature of the nomad, of nomadism, of nomadology, and can then subsequently move to immediately examine its purposive dynamics in the broadest-definition possible of an economic state space –and again, without any hint of implication that our case is made fully and finally herein (It is to perform the more comprehensive latter task that we are reserving *Infinite Leverage* (forthcoming, 2015)).

What, in Chapter 12, do D&G identify as the nomos of the nomadic? The shortest route to this answer is that nomadic distribution does not entail a parceling out of economic space, preproduced, fixed, enclosed, Euclidean, finite. It is not the redistribution of preproduced economic space, does not involve the assignation ‘[t]o each person a share’, and then proceed to regulate those shares. Rather nomadic distribution does precisely the opposite: it is the distribution of economic space itself, economic space produced as distributed in an open wealth (as opposed to redistributing preproduced wealth in a closed space). In this respect, nomadic distribution is indeed a mode of distribution –albeit, D&G remind us, ‘[I]t is a very special kind of distribution, one without division into shares, in a space without borders or enclosures.’[1] It is a mode of distribution that includes production itself.

An informed skeptic might grant that while in cosmology, biology, physics, and other fields studying complex systems we readily marvel at the nomadic distributive, alchemic, and indeed wholly unholy, unnatural, nonlinear capacities of Nature to produce space ex nihilo and ad infinitum, a likewise set of capacities, on which the *economic* wager of nomadic distribution is predicated, are not immediately apparent. But this is precisely what is at stake. The question is whether –when adjusting the aperture of DST to finance, economics, to financial economics, and when deploying its analytics for speculative materialist purposes– we can disclose, in order to effectively operationalize, the material capacities of nomadic distribution *in and as an economy* as well?

If we are then willing to grant that a set of operators will activate the affects endemic to those attractors through which an economy of the war machine functions; and if we concede that there must be some socio-political coordination to their dromocratic form –however fluid or mobile, heterogeneous and couth; we will allow that there are some crucial issues to address concerning nomadic distribution. These issues, we believe, are principally technological and institutional, but then behavioral as well. We are merely attempting to modestly push forward towards that rhizomatic mode of organization for the distribution of flows comprising a war machine economy, and are therefore self-assuming neither pressures of exhaustion nor systematicity. For this we will restrict ourselves to examining three basic prefatory issues.

These issues are:

(i) Issue One: *A Technological Question.*

First, there is the technological question of interminable deterritorialization. D&G's earlier proposition of ordinal value immediately convokes the question of economic valuation in a smooth space, the latter of which is by its very definition understood to be wholly nonmetricized. And yet striations of value, its representation, and thus its metricization –whether going by “price” or some other name– must at some level differentiate itself to the denizens of a dromocracy. It may turn out that in a war machine economy, money, that contemporary medium of exchange by which valuations are metricized as price, and on which the classical symmetry between any given economic object and its image of value is achieved, is no longer needed (We recall Nietzsche's passing assertion, made in a different but not wholly unrelated context, that our cause of rejection is no longer facts or proofs but now aesthetics and tastes): it may turn out that synthetic symmetry takes us to this point. We may end up rather preferring the numerics of implied volatility, by which to achieve a world of prices yet without money, and for this reason our elaboration of the technological issue will also take up its exposition. We have good reasons for understanding implied volatility as an intensive economic property; everything about the volatility smile causes this conviction. The unpaved path to arriving at the proper moment to open up this notion requires some consideration of the technological question, whose issue involves, as D&G point out, interminable deterritorialization –or what in options theory is known as continuous recalibration. However, to make this point, naturally, our reader must be prepared to learn about the class of financial derivatives called options.

(ii) Issue Two: *An Institutional Question.*

There is also the institutional issue, which D&G understand to be the double deterritorialization of Numbering Number. This could more colloquially obtain the label of the question of “social-economic institutions”, or of “economic-sociability”, or even “the political form of the economic” –if one insists on still deferring to various permutations of such historically-loaded terms. In truth our penchant is to regard this issue as mutatis mutandis a portion of the larger question of dromocratic community. Some readers may already know that D&G have highly novel ideas on this, which they pepper throughout *TP*, but then formally, densely,

abstractly propose in terms of *the autonomous arrangement of strange attractors that is the double deterritorialization of Numbering Number*. In the course of our exposition of Numbering Number, we demonstrate that this institutional question was always a question about the economic institutionalization of topological and fractal forms. We've done some thinking ourselves on this, and are therefore prepared to provide our reader with a concrete introductory supplement to D&G's passages on Numbering Number: simply, our assertion is that when conceived as a *topological form*, the double deterritorialization of Numbering Number is best actualized as, on the one hand, a global nonorientable economic surface, which is a universal synthetic CDO (USCDO); and on the other hand, a complex of local nonorientable economic surfaces, which are *clusters of exotic options* (CEOs). These dromocratic economic institutions, as we will show, are topological, in that they stretch and bend, fold over and twist. And yet their dimensions are nonrectifiable, discordant, intractably irregular, i.e. their dimension is not an integer, which means they're fractals. Therefore, when conceived as a *fractal form*, the double deterritorialization that involves Numbering Number is best actualized as, again, on the one hand, a scaling cascade of tranced cash flows whose turbulent but periodic motions are organized around strange attractors (and their affects), which is achieved by a universal synthetic CDO (USCDO); and on the other hand, those clusters of exotic options (CEOs), whose stochastic motions are also organized around strange attractors (and their affects). In this way, we will show that USCDOs and CEOs are the proper institutional actualizations of what D&G theorize as Numbering Number, and as such, are the commensurate with the wagers of dromocracy –or what we call, when actualized, a H₂Ofall economy.

(iii) Issue Three. *A Behavioral Question*.

Any notion involving attractors inevitably raises the issue of behavior, and raised by the issue of behavior is that of the issue of ethics. Our reader may well-know Deleuze's take on Spinoza's trope on ethics –that the question of ethics is always “of what are you capable?”– to which Deleuze's reply was always that we have no absolutely idea of what our bodies, with matter, as assemblages, are capable. Less frequently explained, however, is the technical basis on which this assertion stands. For this reason, our third issue is an issue of the role and relation of phase singularities to the arrangement of attractors and their affects. Why? Because (a) a cascade of flows along attachment/detachment points endemic to structured tranches comprise a dynamic method for the fungible global arrangement of strange attractors –effected by a universal synthetic CDO; (b) the bespoke payoff functions of exotic options comprise a local but autonomous method for the fungible local arrangement of strange attractors – effected by small clusters of operators; these are called ‘clusters of exotics’, insofar as they're neither fixed numbers (units) nor demarcated subspaces (communities), but rather mobile equity obligations whose infinite-length and infinitely-small volume comprises an economic substance; and (c) the institutional combination of (a) and (b) effects a critical stimulus for system phase resetting of attractors and their affects, i.e. a phase singularity, transitioning to modes of economic activity whose attractors (and their affects) previously lay in the flanks, but are now brought to the foreground. If we have no idea of what our economic institutions are capable, it is because presently they're *not*. Let us recall that the principal question of dromocracy, inaugurated in Parts I and II, was *how* a fully-, or if not fully-, then an as-fully-as-possible-rhizomatic distribution of flows, and therefore neither segmented-centralized (arborescent) nor capitalist (fascicular), is realizable? How does a nonperiodic flow distribute itself when in fact that flow is free to distribute its own principals of distribution? This is the question for the rhizome model. But in truth it is also the question of chaos, to which DST has already provided a good reply. Moreover, our reader will see that this original question about the viability of the nonperiodicity of rhizomatic flows is reinvoked in Issue Three, as now foremost a behavioral question, whose effective redress pivots on the activity of arranging attractors. In D&G's own words, it's always a matter of bringing ‘a certain [attractor] in the flanks of the phylum...up to the surface by a given assemblage that selects, organizes, invents it, and through which all or part of the phylum [now] passes, at a given place at a given time.’[2] As we will see, this wager on the formative power of attractors is that quilting point whose threads link Parts I and II's introduction to the challenges facing an economy whose distribution of flows is rhizomatic, to Part III's wager on ordinal value, and now Part IV's prefatory examination of the financial economics of nomadic distribution.

Let us proceed on to our selected *technological* and *institutional* issues respectively, immediately below, in order to end our essay on dromocracy with the beginning of an address to this question, wherein we consider what we have called the *behavioral* issue as well.

[1] TP pg. 380

[2] TP pg. 407

taken from here

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